



RBA: Service Agreement/ GO housing bonds
CITY OF AUSTIN
09/24/2009
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 5
AGENDA DATE:

PAGE: 1 OF 2

SUBJECT: Authorize negotiation and execution of a one-year service agreement with the City to manage and operate various housing programs for the City during fiscal year 2009-2010 funded by proceeds from the City's General Obligation housing bonds in an amount not to exceed \$15.8 million.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Capital Budget of the Neighborhood Housing and Community Development Office.

FISCAL NOTE: A fiscal note is attached.

REQUESTING DEPARTMENT: Austin Housing Finance Corporation

FOR MORE INFORMATION CONTACT: Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3100

PRIOR BOARD ACTION:

PRIOR COUNCIL ACTION:

The recommended action authorizes staff to negotiate and execute the Austin Housing Finance Corporation's (AHFC) annual service agreement with the City, allowing the AHFC to use up to \$15.8 million during Fiscal Year 2009-2010 from the City's General Obligation (G.O.) bond proceeds to fund, manage, and operate various housing programs, including the Rental Housing Development Assistance Program, the Acquisition and Development Program and the Owner-Occupied Home Repair Program.

Of the \$15.8 million of G.O. bond proceeds, the rental housing program will use up to \$9,480,000 for eligible activities that include permanent housing with supportive services, special needs housing, and affordable rental housing created through acquisition, development, construction, and rehabilitation. The rental housing programs will serve families making up to 50 percent of the area's median family income (currently \$36,650 for a family of four) and will target families making less than 30 percent of the area's median

family income (currently \$22,000 for a family of four). The goal is to serve an estimated 500 households.

Up to \$4,320,000 of G.O. bond proceeds will be used for homeownership programs. Eligible activities include acquisition, development, construction and rehabilitation. The homeownership programs will serve families making up to 80 percent of the area's median family income (currently \$58,650 for a family of four) and will target those making between 50 percent and 65 percent of the area's median family income (between \$36,650 and \$47,650 for a family of four). The result will be to serve approximately 175 households.

Up to \$2 million of G.O. bond proceeds will be used for emergency repairs to the homes of low-income residents. The goal is to serve an estimated 400 households.

Each year the AHFC Board adopts the Corporation's operating and capital budgets (the capital budget is funded through G.O. bond funds) and authorizes staff to negotiate and execute the one-year service agreement with the City to manage various housing programs.

Created in 1979 as a public, non-profit corporation, pursuant to Chapter 394 of the Texas Local Government Code, the AHFC has administered the City's G.O. Bond Housing programs since 2007.

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

9/24/2009

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Neighborhood Housing and Community Development

Approve a resolution authorizing the City Manager to negotiate and execute a one-year service agreement with the Austin Housing Finance Corporation to manage and operate various housing programs for the City during the Fiscal Year 2009-2010 funded by General Obligation housing bond funds.

FINANCIAL INFORMATION:

Project Name:	Housing Projects	
Project Authorization:	2009-2010 Capital Budget	
Funding Source:	2006 GO Bonds - P5	
Fund/Dept/Unit:	8605-7207-0400	
Current Appropriation:		\$ 24,000,000
Unencumbered Balance:		\$ 11,675,998
Amount of This Action:		<u>\$ 15,800,000</u>
Remaining Balance:		\$ 27,475,998

AUSTIN HOUSING FINANCE CORPORATION
CAPITAL IMPROVEMENT BUDGET
FISCAL YEAR 2009-2010
Exhibit A

	New Funding Fiscal Year 2009-2010	Estimated Households to be Served
SOURCES OF FUNDS		
Transfer from the City of Austin	15,800,000	
TOTAL SOURCES OF FUNDS	15,800,000	
USES OF FUNDS		
Rental Housing		
Rental Housing Development Assistance	9,480,000	500
Homeownership Programs		
Acquisition and Development	4,320,000	175
Owner-Occupied Housing Program		
Homeowner Repair Program	2,000,000	400
TOTAL USES OF FUNDS	15,800,000	1,075